A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 64 - No. 3 MARCH 1986

PAPER AND PAPERBOARD PRODUCTION: HOLDING STEADY

The trend position of paper and paperboard production in February 1986 (the average of the current and preceding month's seasonally adjusted levels) eased from the record high 71.0 million tons per year level reached in January to 69.7 million tons. Weekly data for March suggests that the rate of production is holding close to the January-February rate of 69.7 million tons per year.

Production gains over a year ago lean slightly in favor of paperboard because of the more favorable export trend in that category. Total paper production for the first two months of 1986, at a seasonally adjusted rate of 34.9 million tons per year, was about 0.9% above over its comparable year-earlier figure and 2.7% above the total for 1985. The seasonally adjusted annual rate of paperboard production for these months was 34.8 million tons, 4.7% above the comparable 1985 rate and 4.6% above the total for that year. The trends within the paper and paperboard grades generally continued along the same paths they followed during the last three quarters of 1985.

Among the paper grades, the overall gain of 0.9% reflected advances of 3.5% in printing-writing papers and 1.2% in tissue papers, partially offset by declines in total packaging and other paper of 5.2% and in newsprint of 2.0%. As shown in the table on page 3, the strongest single gain was in uncoated free sheet -- 9.8% above a year ago.

U. S. newsprint production continues to ease from the record levels of 1984. Last year saw a decline of 2% from the total of 5.5 million tons produced in 1984 and the currentseasonally adjusted rate is 3.3% below that level. Total new supply of newsprint (production plus imports minus exports), which had followed a flat trend from the beginning of 1979

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through the middle of 1983, rose by 11.3% in 1984 and another 3.7% in 1985. Its current annual rate of 13.6 million tons per year is close to the 1985 total. However, imports, mainly from Canada, have been supplying an increasing proportion of the total in this country during the past 3 years. In 1983, these imports accounted for about 59% of total new supply. At the current levels, imports represent roughly 62% of new supply.

Printing and writing papers continue to follow a strong trend. Total shipments in January and February averaged 19.1 million tons per year, 3.5% above their year-ago level. However, shipments of the individual grades followed disparate trends. Demand for uncoated free sheet remained strong, in keeping with the 1985 trend. Shipments in the first two months of 1986, at a record-high 10.2 million tons per year, were, as noted earlier, 9.8% above their year-ago rate. Imports, a further indicator of demand, took a sharp jump from the relatively low level they had reached in the last quarter of 1985; at 46,087 tons the January 1986 total was 76.1% above its year-ago level and second only to the peak reached in July 1984, while exports fell 23% to 4,708 tons.

Data for January 1986 showed that the largest increases in uncoated free sheet shipments were to business forms and other converters, followed by shipments to envelope converters and to book publishers. Shipments to the important office reprographics market held close to their year-ago level.

The rate of coated paper shipments has moved upward from the lows of the last half of 1985, reaching 6.1 million tons per year in the first two months of this year. The January-February rate was 3.4% above the rate for all of 1985, although still 5% below the highs of the first quarter of last year. Imports of coated papers, held fairly close to their second half 1985 average rate, but were 27% below their January 1985 level. They accounted for 7.1 of the total new supply in January 1986, compared to 7.9% for all of 1985.

Tissue paper showed a gain above that of total paper. At 1.2% ahead of a year ago, domestic production continues to grow at a faster rate than the growth in population. Imports so far in 1986 represent 1.8% of new supply (production plus imports minus exports) compared with 1.1% for the whole of 1985 and 0.6% in 1984. Most of these additional imports are coming from Venezuela and Mexico; imports from Canada, which in the past have accounted for the most of the tissue paper imports, were down from their year-ago level in January 1986. While the year-to-year growth in the new supply of tissue papers was slightly below the estimated growth in the real gross national

Continued on Page 10

PAPER AND PAPERBOARD STATISTICS

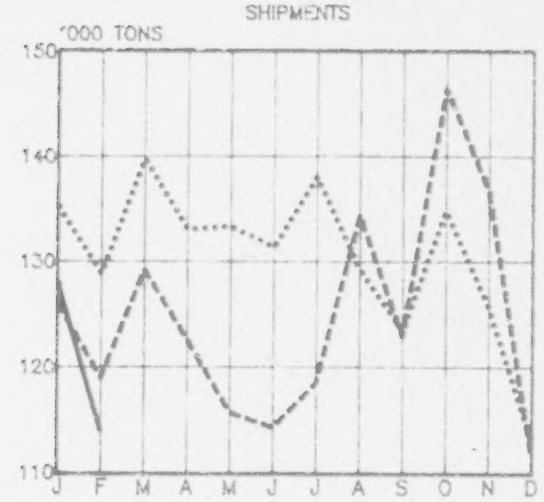
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1984	YEAR 1985	NOV. 1985	DEC. 1985	JAN. 1986	FEB. 1986	Annual Rate Y-T-D 1986	% Change From same Period Last Year
PAPER								
Newsprint - Production	5539	5428	438	438	463	434	5383	-2.0
- Shipments	5584	5417	437	444	427	434	5162	-4.7
Printing & Writing sum	18395	18407	1541	1481	1654	1522	19054	3.5
Groundwood Paper - Shipments	1565	1498	137	112	128	114	1451	-1.3
- New Orders	1575	1478	126	105	142	110	1512	6.2
-Unfilled Orders	140	106	111	106	118	118	118	0.1
Coated Papers - Shipments	6249	5863	472	448	521	489	6060	-5.0
- New Orders	6281	5717	474	444	552	442	6201	2.6
- Unfilled Orders	575	410	426	430	439	453	453	-8.4
Unctd Free Sheet - Shipments	9207	9739	819	813	889	808	10179	9.8
- New Orders	8939	9789	864	775	886	811	10177	9.5
- Unfilled Orders	430	509	525	509	474	508	508	14.4
Thin Papers - Shipments	267	241	20	19	23	28	305	19.2
Cotton Fiber Paper - Shipments	147	143	13	11	13	12	144	8.1
Bleached Bristols - Production	959	924	80	79	80	71	910	1.2
Tissue Paper - Production	4921	4941	411	410	428	391	4911	1.2
Total Packaging & Other Paper	5555	5210	421	410	436	405	5043	-5.2
Unbl. Kraft Paper - Shipments	3666	3410	271	271	290	263	3321	-6.6
Other Paper - Production	1883	1800	148	139	145	142	1722	-2.4
TOTAL PAPER-Production-Unadj. *	34409	33986	2810	2740	2981	2751	34390	0.9
-Production-S.A. *			2813	2922	2943	2873	34892	0.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	26403	25488	2108	2058	2259	2078	26019	4.4
Total Unbl. Kraft Paperboard	17185	16434	1354	1314	1461	1325	16714	3.5
Unbl. Kraft Linerboard (1)	16037	15242	1253	1229	1354	1223	15459	2.6
Production for Export	2086	1756	151	156	173	151	1946	32.5
Other Unbl. Kraft Paperboard	1149	1191	101	86	107	102	1256	16.1
Semichemical Paperboard	5169	5084	427	414	443	416	5155	5.1
Production for Export	149	189	13	19	18	13	188	14.5
Solid Bleached Paperboard	4048	3972	321	310	355	337	4150	7.3
Production for Export	478	459	41	40	31	41	433	3.0
Recycled Paperboard	7637	7701	659	598	681	642	7935	5.6
Production for Export	17	14	1	1	2	2	26	68.6
TOTAL PAPERBOARD-Prod.-Unadj. *	34039	33188	2767	2656	2940	2719	33454	4.7
- Containerboard Prod.(Dom. Use)	20993	20353	1695	1616	1784	1635	20516	1.4
- Boxboard Prod.(Dom. Use) (2)	5783	5748	477	466	533	476	5871	3.0
- All Other P'bd Prod.(D.U.) (2)	4531	4669	390	357	424	401	4977	12.5
- Total Paperbd Prod. for Export	2731	2418	205	216	225	207	2593	29.2
TOTAL PAPERBOARD PROD.-S.A. *	33982	33281	2797	3041	2934	2867	34808	4.7
TOTAL PAPER AND PAPERBOARD								
Production - Actual *	68448	67174	5577	5396	5920	5470	68344	2.8
Production - S.A. *			5606	5961	5877	5740	69700	2.8

(1)Includes all exports of kraft paperboard. - = Revised P = Preliminary S.A. = Seasonally Adjusted
(2)Data for Unbl. kraft folding boxboard incl. in All Other Prod.
* NOTE: Year 1984 contains one more day than 1985, 1986 and 1987.

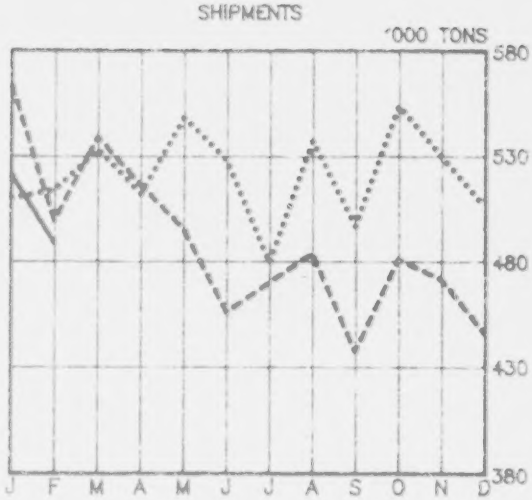
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



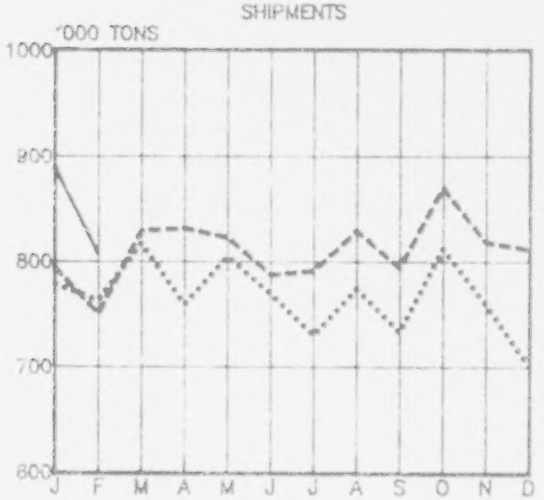
COATED PAPER

SHIPMENTS



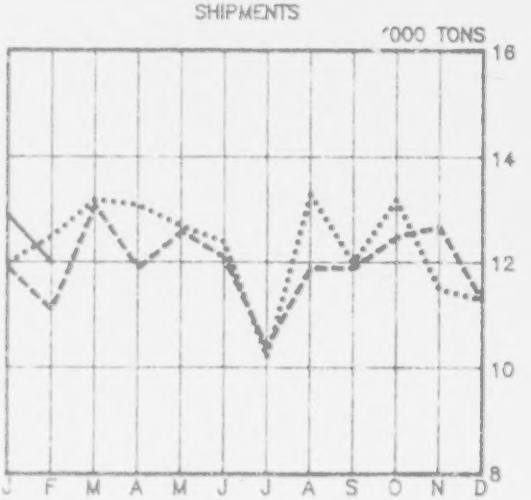
UNCOATED FREE SHEET PAPERS

SHIPMENTS



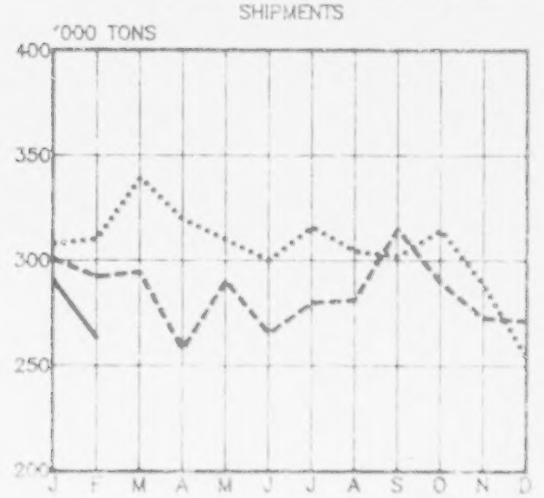
COTTON FIBER PAPER

SHIPMENTS



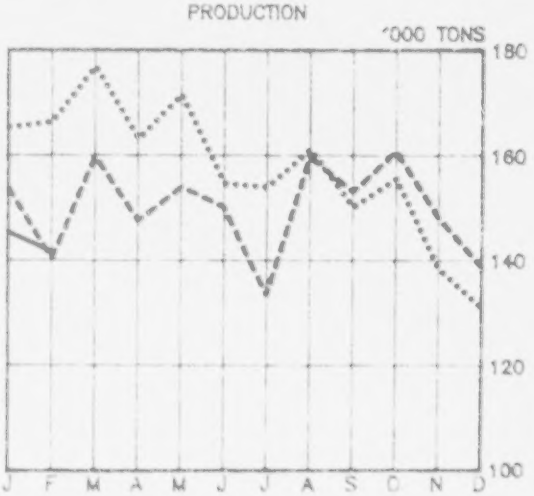
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1984 ..... 1985 - - - - - 1986 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1984	YEAR 1985	OCT 1985	NOV 1985	DEC 1985	JAN 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	55470	54170	4595	4499	4385	4846	58154	5.5
- Imports	4490	4466	355	401	339	383	4594	22.4
- Exports	3594	3791	269	363	295	368	4410	22.2
- New Supply	56367	54844	4681	4537	4429	4861	58338	5.6
Dissolving Pulp - Production	1206	1174	106	97	93	107	1278	23.5
- Imports	161	175	15	17	11	31	370	432.6
- Exports	595	631	45	56	42	55	666	3.8
- New Supply	772	718	76	58	62	82	982	112.2
Paper Grades - Production	44690	43696	3683	3648	3555	3931	47167	5.6
Chemical Pulp - Imports	4023	4104	332	365	324	348	4170	15.8
- Exports	2945	3131	220	302	250	310	3718	26.2
- New Supply	45767	44668	3796	3711	3629	3968	47619	5.1
Groundwood and - Production	5506	5251	454	421	408	463	5555	3.7
Thermo-Mech. - Imports	106	187	1	19	4	4	54	-34.8
- Exports	54	29	4	4	3	2	27	16.6
- New Supply	5558	5409	457	435	409	465	5582	3.1
Semi-Chemical - Production	4069	4050	353	333	328	346	4154	2.5
- Imports								
- Exports			- - - - -	Included in Groundwood Pulp			- - - - -	
- New Supply	4069	4050	351	333	328	346	4154	2.5
MARKET WOOD PULP								
Total Market - Production	6898	6800	563	595	554	622	7463	7.4
Wood Pulp - Imports	2468	2791	239	226	217	246	2947	11.4
- Exports	3511	3784	290	306	354	389	4668	78.4
- New Supply	6355	5807	518	505	417	479	5747	-17.0
Dissolving Pulp - Production	1205	1171	105	96	93	106	1272	23.0
- Imports	204	174	11	16	9	26	314	161.7
- Exports	690	666	53	51	68	54	647	100.4
- New Supply	718	679	63	62	33	78	939	12.9
Paper Grades - Production	5680	5605	462	482	460	515	6181	4.7
Chemical Pulp - Imports	2684	2531	225	194	206	217	2603	5.2
- Exports	2821	3117	237	255	286	335	4021	71.0
- New Supply	5523	5019	450	421	381	397	4763	-21.0
Groundwood Pulp - Production	14	24	1	7	1	1	16	-7.1
and All Other - Imports	100	86	4	15	3	3	30	-41.9
- Exports	1	1	0	0	0	0	0	0.0
- New Supply	114	109	5	22	3	4	46	-32.1

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

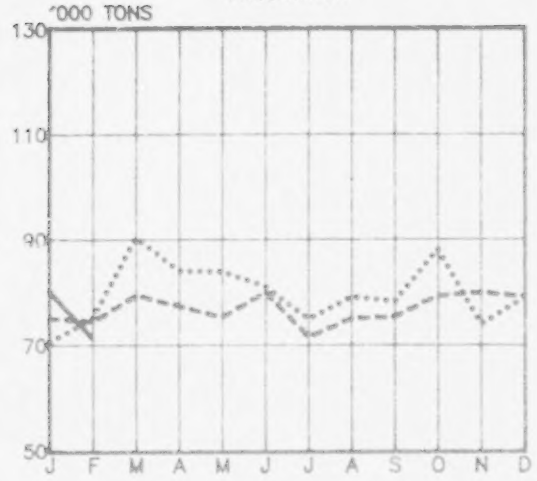
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	70488	68588	5961	5692	5538	6110	73316	4.6
Total Wood Pulp	54562	51297	4537	4406	4332	4709	56514	5.5
Waste Paper	15926	15290	1364	1286	1207	1400	16802	1.7
INVENTORIES								
Own Use Wood Pulp at Pulp Mills	174	164	175	190	164	165	1976	0.1
Mkt Pulp at Pulp Mills (Paper Grades)	585	486	507	537	486	444	5332	-33.3
Mkt Pulp at Ppr. & Bd. Mills *	494	398	426	398	399	429	5148	-8.9
Waste Paper at Paper and Bd. Mills	1053	978	944	917	978	954	11447	-7.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	42	30	32	35	30	26	32	-46.9

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; * - Indicates Total of Five Regional Wood Pulp

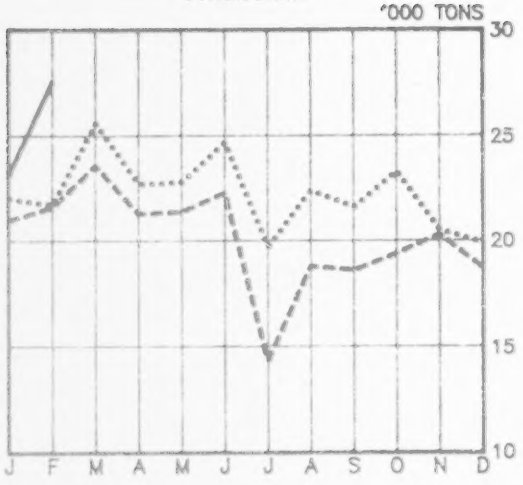
BLEACHED BRISTOLS

PRODUCTION



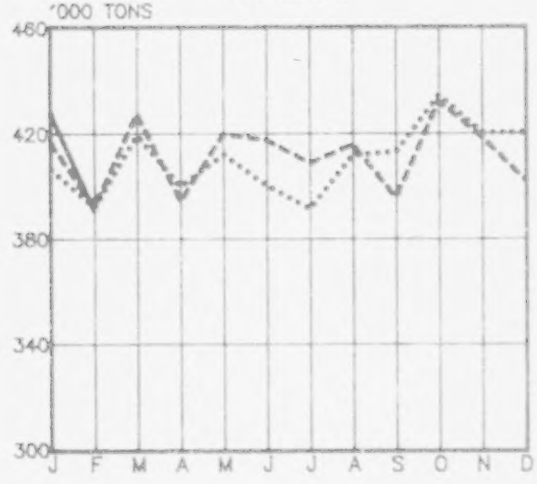
THIN PAPER

PRODUCTION



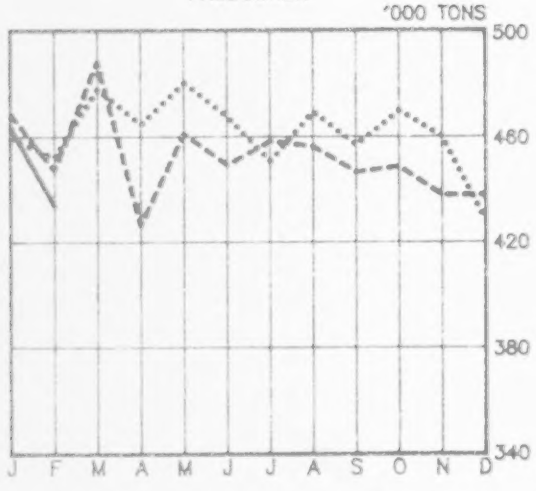
TISSUE PAPER

PRODUCTION



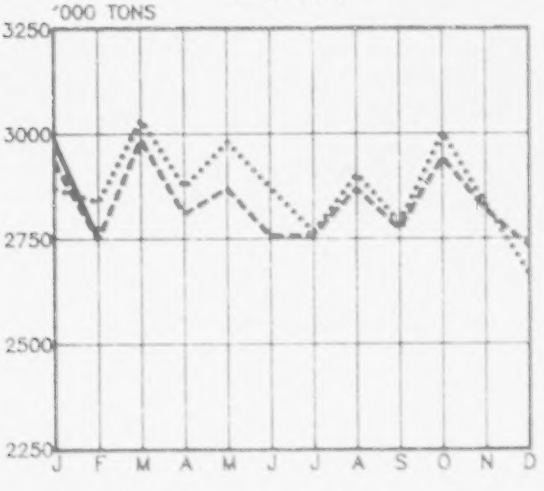
NEWSPRINT

PRODUCTION



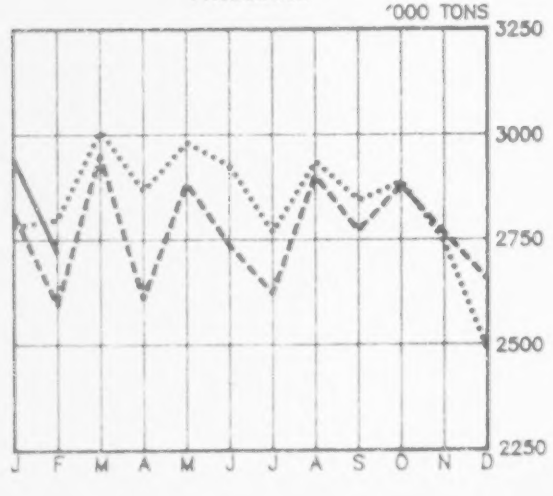
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1984 ····· 1985 - - - - 1986 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1983	YEAR 1984	OCT. 1985	NOV. 1985	DEC. 1985	JAN. 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulpwood									
Total U.S.	- Total Receipts	84475	89976	7885	6914	6861	9137	109644	22.1
	- Total Consumpt	85441	87646	7866	7112	6907	9208	110496	24.2
	- Receipts *	70755	74052	6425	5488	5301	7579	91488	55.8
	- Inventories	5229	5574	5312	5062	5046	6943	6943	25.1
New England	- Total Receipts	2638	2834	2615	2322	2325	2665	31980	13.2
	- Total Consumpt	2844	2764	2954	2696	2614	2544	30528	9.4
	- Receipts *	1454	1548	824	711	685	838	10056	33.4
	- Inventories	1363	1444	1132	1094	1317	1224	1224	-17.2
Northeast	- Total Receipts	770	780	674	656	621	649	7788	-10.7
	- Total Consumpt	774	774	693	658	594	666	7992	-2.3
	- Receipts *	1349	1361	1248	1184	1106	1320	15836	-10.6
	- Inventories	987	996	1051	1043	944	900	900	-17.5
South Central	- Total Receipts	29404	31633	2845	2417	2388	2891	34692	15.5
	- Total Consumpt	29282	30032	2823	2678	2292	2787	33444	8.4
	- Receipts *	3218	3059	834	747	704	860	10320	15.1
	- Inventories	1936	1984	1145	1142	1238	1339	1339	12.9
North Central	- Total Receipts	4265	4857	421	384	490	420	5040	-39.7
	- Total Consumpt	4343	4961	456	521	536	555	6660	-8.7
	- Receipts *	1422	1472	119	94	76	97	1164	-23.0
	- Inventories	951	936	974	896	884	976	976	-3.9
West	- Total Receipts	45804	45442	3743	3081	3037	4256	51072	4.7
	- Total Consumpt	43628	45765	3744	3471	3094	4128	51436	4.1
	- Receipts *	32611	31842	3002	2805	2734	3937	47244	17.8
	- Inventories	1302	1330	1471	1373	1333	1452	1452	14.7

* = Consumption of Receipts (+ or -) or Equivalent

SOURCE: American Pulpwood Association

27-Mar-86

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1985 Tons	YEAR 1985 $000's	DEC. 1985 Tons	DEC. 1985 $000's	JAN. 1986 Tons	JAN. 1986 $000's	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulpwood, Roundwood								
(in cords of 128 cubic feet)	21804	2462	98	10	128	12	1536	-98.4
Pulpwood Chips	788446	91455	64207	7435	66720	7709	824484	-34.7
Wood Pulp, Total	2833936	1258897	176855	78068	224852	100854	2697424	5.1
Waste Fibrous Materials, Total	184084	26471	9824	1453	13381	2551	160600	12.2
Paper, Board & Products, Total	9734520	4106894	791691	330295	793404	332355	9401568	9.2
Paper, Paperboard,Wet Machine Bd.								
& Constr. Paper & Bd.	9511776	4104385	784418	331748	778358	334340	9297297	8.7
Paper, Paperboard & Products	8796139	4215914	776419	344885	766431	347572	9201576	5.6
Paper & Paperboard, Only	4286488	4073606	765514	331915	576625	334247	9091894	5.1
Paper, Total	3132128	2030872	262200	327772	749285	337946	8983424	4.9
Newsprint	2017588	1488944	161808	284.52	659041	297297	7908516	4.0
Printing, Writing & Rel. Pap.	893388	420581	71998	35148	68091	34492	817116	4.5
Pack. & Ind. Conv. Paper	124152	94649	12350	9096	14974	9512	179604	70.8
Special Industrial Paper	13491	16383	1369	1611	1758	1884	21096	25.7
Tissue Paper	45081	28114	3014	1868	2417	1872	31009	-0.7
Paperboard, Total	1154360	42734	14744	4084	12339	3151	190470	21.5
Convtd Papers&Paperbd Products	31747	141708	9139	113063	9106	13213	109276	67.3
Wet Machine Board	2194	1481	354	216	129	92	1393	39.1
Construction Paper & Board	212204	29834	17261	2145	16468	4967	196846	-10.8

EXPORTS TO CANADA

Pulpwood, Roundwood								
(in cords of 128 cubic feet)	49611	2425	2504	180	364	20	4168	-85.7
Pulpwood Chips	42636	4780	1220	41	416	20	4992	-88.6
Wood Pulp, Total	244494	90741	19619	7821	27572	8054	133624	9.6
Cotton Pulp & Other Pulp	15083	6212	2658	1	830	356	9960	-66.4
Waste Paper	209067	13249	16960	1514	14227	1841	218724	-16.6
Paper, Board & Products, Total	3613.0	4612908	59097	1189	43493	461594	6902417	46.2
Paper, Paperboard,Wet Machine Bd.								
& Constr. Paper & Bd.	3274.9	3106.5	448.9	207.6	477.0	302.4	4972.9	18.9
Paper, Paperboard & Products	3207.5	4719.3	766.1	1014	4.2.2	4494.1	4710.4	46.5
Paper & Paperboard, Only	5944.1	3221.2	3.8.3	3.6.9	6.6.4	2900.1	776.4	47.5
Paper, Total	271784	221871	14703	17062	27509	19434	330713	19.5
Newsprint	4767	3274	256	274	299	244	3483	-18.1
Printing, Writing & Rel. Pap.	11909	10965	9.0.1	1.71	1.1.1	1.1.5	13.716	-6.6
Pack. & Ind. Conv. Paper	8.7.1	10.1.8	2.1.1	1.1.8	1.1.1	1.1.5	1.1.51	-38.8
Special Industrial Paper	9.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.2.3
Tissue Paper	2.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	-9.2
Paperboard, Total	1.1.1.1	1.1.1.1	1.1.1.1	1.1.1	1.1.1.1	1.1.1.1	1.1.1.1	78.4
Convtd Papers&Paperbd Products	1.1.1.1	1.1.1	1.1.1.1	1.1.1	1.1.1.1	1.1.1.1	1.1.1.1	43.5
Wet Machine Board	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1	1.1.1
Construction Paper & Board	1.1.1.1	1.1.1	1.1.1	1.1.1	1.1.1.1	1.1.1	1.1.1.1	1.1.1

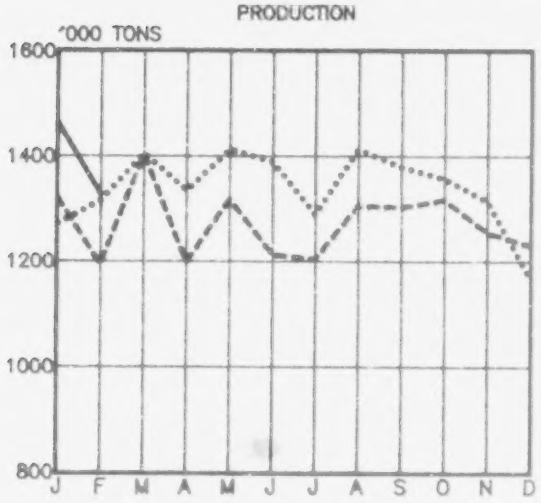
Source: Bureau of Census, Department of Commerce

Compiled and published by American Paper Institute

27-Mar-86

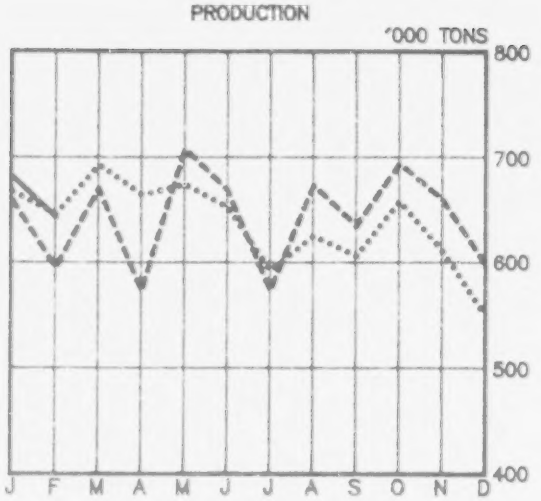
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



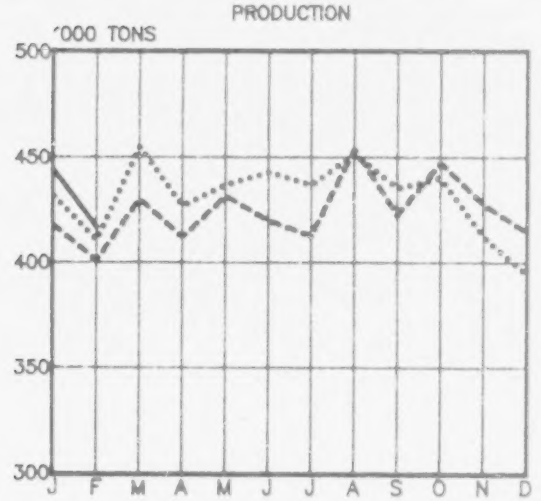
RECYCLED PAPERBOARD

PRODUCTION



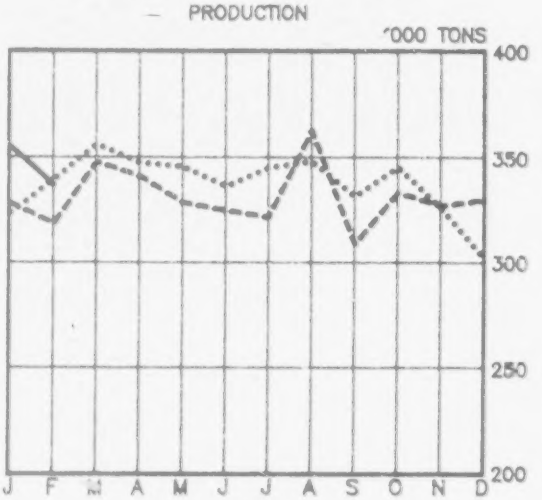
SEMICHEMICAL PAPERBOARD

PRODUCTION



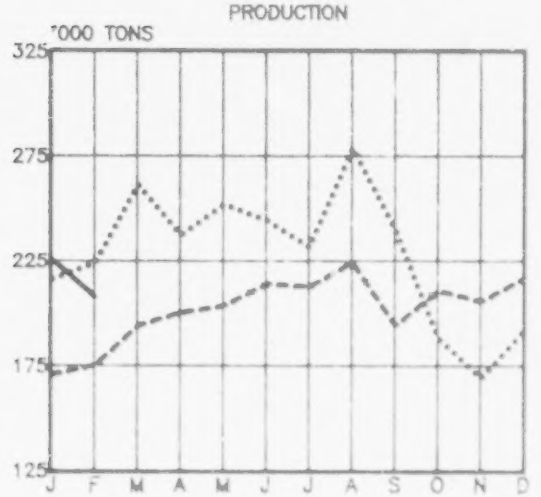
SOLID BLEACHED PAPERBOARD

PRODUCTION



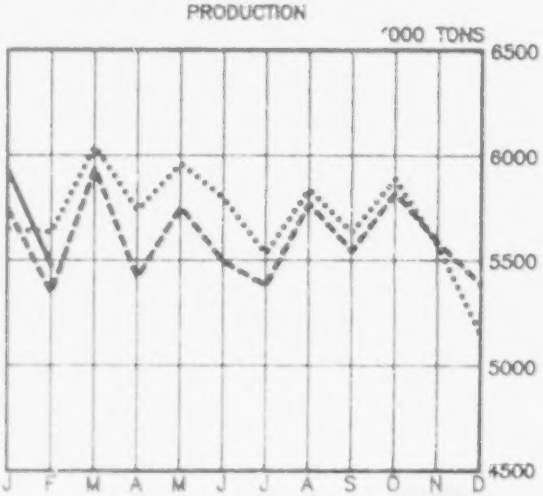
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1984 ····· 1985 - - - - - 1986 ——

IMPORTS

	YEAR 1985 Tons	YEAR 1985 $000	DEC. 1985 Tons	DEC. 1985 $000	JAN. 1986 Tons	JAN. 1986 $000	(1) Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulpwood, Roundwood (Cords)	31565	2604	153	11	128	12	1536	-98.8
Pulpwood Chips	789380	22006	44304	1439	68768	1517	825216	-34.7
Total All Imports	26154209	7205817	1945158	567316	1551494	603168	18615528	8.9
Wood Pulp, Total	4465746	1520907	338761	117301	342812	121200	4593744	22.4
Waste Paper	87413	10165	7292	969	6425	708	77100	14.9
Other Fibrous Materials	8430	26944	4687	1436	6953	2679	101431	9.0
Paper, Board & Products Total	21592919	5697802	1610553	457271	1537824	478581	18493647	4.2
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	10396394	2774432	862138	247873	811253	242556	11189104	1.9
Paper, Pbd & Prd ex Cnvtd***	11196104	5386075	868541	417018	836798	472200	12236776	4.1
Paper & Paperboard, Only	7828629	4362757	660554	341412	651893	416175	10942232	4.1
Paper, Total	1837428	1440882	241734	201003	236318	196165	2755410	3.9
Newsprint	8496560	3838726	693305	292880	708432	304401	8501064	6.0
Printing & Writing	1912967	1116235	135461	78193	154803	91441	1916041	-10.4
Uncoated Groundwood	1027231	510619	70827	34782	71434	35284	857254	-26.3
Coated Print.& Imprej. Pap.	496072	361855	33193	25199	19348	29516	472172	-26.8
Uncoated Free Sheet	364848	294432	25154	19811	46087	24432	553039	76.1
Uncoated Book	20927	10656	1674	1442	23466	12551	281596	72.6
Writing and Similar Paper	163421	91846	13138	7649	22620	11760	271444	79.9
Thin (except Cigarette)	23152	22276	2295	1905	2780	2292	33356	63.4
Bristols	1024	2043	71	177	18	220	220	-82.9
Total Pkg & Other Paper	372003	136190	17458	10861	20026	12016	240317	60.7
Unbleached Kraft Paper	63604	23976	6538	2205	7548	2605	90571	135.7
Other Pkg. & Indust. Paper	108199	42414	13927	5845	11279	4511	135414	82.9
Tissue	59941	19551	5495	1459	7503	4607	89995	133.2
Paperboard, Total	1842201	955875	138826	69319	155935	87009	1864615	14.4
Test or Containerboard	90475	16849	4137	1068	4193	1140	50312	14.9
Semi-Chemical Corrugating	65083	23706	7247	1428	4657	1016	55886	27.8
Other Paperboard	68021	25321	7442	2295	6685	2501	80214	7.6
Convtd Papers&Paperbd Products	2819529	623328	28170	14349	24543	56029	294742	25.9
Paper Products, Total	259934	572316	26124	54439	22917	52779	270434	30.7
Paperboard Products, Total	14561	51004	2046	4874	2009	4251	24104	-10.5
Wet machine Board	1270	2585	248	203	172	124	2065	-26.1
Construction Paper & Board	413196	179147	21332	6258	21234	6108	254837	-7.1
Notes								
Others No Weight Avail. (1000)		228219		20156		15999	253316	8.7
Total Imports Incl. Others(1000)		7434036		587472		620944	16481240	2.4

EXPORTS

Pulpwood, Roundwood (Cords)	41765	3031	1274	104	2263	142	27156	-71.2
Pulpwood Chips	2114137	143614	241990	16914	169954	13733	2742216	-1.7
Total All Exports	11360281	4042056	922691	299855	1051041	344506	12612492	11.0
Wood Pulp, Total	1791392	1192738	294614	177633	367934	221207	4410412	22.2
Cotton Pulp and Other Pulp	107221	73892	15908	9749	8256	4751	99072	-25.2
Waste and Old Paper	328962	184258	27677	16778	304157	80309	3649884	6.9
Paper, Board & Products, Total	4377025	2286300	338858	206603	371024	139416	4451129	7.0
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	1588443	1038847	152433	94373	126445	73196	1517340	8.1
Paper, Pbd & Prd ex Cnvtd***	4098227	2229784	351778	190105	361581	193439	4338972	6.1
Paper & Paperboard, Only	2937331	1946851	296201	171758	314490	167982	3803784	7.2
Paper, Total	779000	641110	93954	46208	82011	47421	944131	-7.5
Newsprint	314369	141314	24752	11395	24720	9752	249034	-25.9
Printing & Writing	202828	231845	14021	15347	16881	17241	204532	-3.7
Uncoated Groundwood	38778	31723	2193	1775	2861	2341	35533	-12.7
Clay Coated Paper	40282	40710	1192	1175	3013	3383	46210	19.1
Uncoated Free Sheet	58573	71924	4418	5312	4106	4481	58444	-22.6
Other Printing & Writing	19011	26474	1374	1603	1273	2481	15273	-9.6
Total Pkg. & Other Paper	241671	241951	20036	13318	21297	19679	274954	13.1
Unbleached Kraft	47845	29441	4254	2584	4494	3137	53448	-41.3
Other Pkg. & Indust. Paper	177976	212478	15794	9711	16803	17842	226114	42.4
Tissue	15850	18032	1304	1023	1234	1233	12106	40.9
Paperboard, Total	2158130	1304111	202247	125451	232469	125982	3059623	11.5
Solid Wood Pulp	2492746	972281	201993	82708	227412	72280	2686942	4.3
Total Linerboard	1807151	1013364	151318	86495	167149	90144	1957783	5.3
Bleached Kraft Linerboard	130159	81687	8797	5147	221	2302	84471	-49.4
Unbleached Kraft Linerbd	1676992	931677	142521	81348	166928	87842	1873312	10.9
Other Unbleached Kraft	180651	41051	4616	1061	10444	4019	131424	59.1
Other Bleached Kraft	523081	339024	32271	20847	39508	25709	474649	-16.7
Semi-Chemical Corrugating	61953	16241	8551	3812	11261	3406	123136	91.8
Recycled Paperboard	241564	241833	20003	9185	31047	7760	372682	129.6
Convtd Papers&Paperbd Products	440811	693241	39600	44661	84448	66428	845746	-0.8
Paper Products, Total	217581	484174	18135	40052	37869	39614	212823	-3.2
Paperboard Products, Total	213728	319670	14465	34161	29977	24733	383423	2.2
Wet Machine Board	11780	8410	1040	838	1759	811	21080	51.0
Construction Paper & Board	11479	10776	1162	1012	1176	1240	12074	9.6
Notes								
Others No Weight Avail. (1000)		9618		719		882	9180	4.4
Total Exports Incl. Others(1000)		4060867		300574		347187	12620938	-0.3

SOURCE: Bureau of Census - U.S. Department of Commerce - FT 410 and FT 446/447 Merchandise Trade Data

(1) Annual Rate Year-To-Date is 12 times January (unless otherwise specified in the Description)

PRODUCER PRICE INDEXES
1967 = 100

	1984	1985	NOV. 1985	DEC. 1985	JAN. 1986	FEB. 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.9	292.2	287.7	287.9	287.9	287.9	287.9	-3.3
Pulp Paper & Products, ex: Building Grades & ex Waste Paper *	293.8	294.6	290.4	290.6	290.6	290.5	290.5	-3.0
Total Wood Pulp	345.0	347.2	333.1	332.0	331.3	330.2	330.8	-12.0
Total Paper	303.2	303.6	301.0	301.2	301.0	301.4	301.2	-1.5
Total Paper, exc: Newsprint	301.2	298.8	295.3	295.5	295.1	295.6	295.4	-2.0
Newsprint	324.1	332.9	331.0	330.2	324.1	324.8	324.5	-3.0
Total Paperboard	280.6	275.5	264.2	264.6	264.1	262.7	263.4	-8.7
Total Paper and Paperboard *	296.1	294.8	289.5	289.7	289.4	289.3	289.3	-3.7
Converted Products	280.7	288.1	285.4	285.7	285.9	285.7	285.8	-1.5
Waste Paper	240.1	148.8	126.6	126.6	129.1	136.9	133.0	-30.6
All Commodities	310.4	308.9	309.7	310.2	309.0	304.7	306.9	-0.9
Industrial Commodities	322.6	324.0	325.0	325.2	324.0	319.4	321.7	-0.4

SOURCE: Producer Price Indexes; Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Continued from Page 2

product during the early months of 1986, the new supply-real GNP ratio was about equal to its 1985 average. Tissue paper new supply has closely tracked real GNP since about 1977.

Declines in packaging and industrial converting papers continue along the lines established in 1985 and before, reflecting, in part, continued inroads by plastic packaging materials. Unbleached kraft paper shipments in the first two months of 1986 were 6.6% below their year-earlier level, but about equal to their fourth quarter 1985 rate. One indicator of the trend toward plastic packaging is the ratio of flexible wrapping products containing paper to the total of all flexible wrapping products. This ratio fell from 37% in 1977 to an estimated 32% in 1985.

Production of all the major paperboard categories showed gains over year-ago levels in the first two months of 1986. The major gains occurred in production for export, up 25.2% and production of paperboard other than the containerboard and boxboard grades for domestic use, which rose 12.5%.

The strength in production of paperboard for export reflected a 32.5% gain in unbleached kraft linerboard exports to a 1.9 million tons per year rate, and a 14.5% increase in semichemical paperboard. The rate of total paperboard production for export

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in this period was close to 2.6 million tons per year, 7.2% above the rate for all of 1985 and about 5% below the 1984 total.

Production of containerboard for domestic use was only 1.4% over its year-ago rate in the first two months of 1986, with kraft linerboard slightly below its year-ago total. However, shipments of fibre boxes, at an annual rate of 272 billion sq. ft., were 5.2% above their year-ago level in this period, pointing to the underlying strength in this market. Consumption of containerboard at box plants in this period was some 6.7% ahead of its year-ago level. This compares with the 2.2% gain in the real GNP and the 3.5% increase in industrial production indicated for this same period.

The 3% gain in boxboard production for domestic use reflected some widely divergent trends within the grade structure. While folding boxboard showed only a small gain, the solid bleached grades increased 6.5% while the recycled grades declined by 3.3%. Set-up boxboard, which had shown some strength in the 1983-1984 uptrend phase of the economy, resumed a declining trend in 1985 and 1986, falling 11% from its year-ago level in the first two months of 1986.

Production of milk carton stock showed a strong gain over its year-ago levels. However, this production trend tends to show rather large fluctuations during the course of a year. The 1985 shipments total for this grade was the lowest since the 1982 recession and, in fact, below any other earlier year since 1961.

Among the non-packaging grades, production of gypsum wallboard facings showed a 17% gain, reflecting in part the resurgence in residential housing construction.

MARKET WOOD PULP

Stimulated by a strong demand for exports, production of chemical paper grade market pulp ran at a record-high 6.1 million tons per year in the first two months of 1986. This was 6% over its year-earlier rate and 9.1% above the average rate for all of 1985. In that same period, shipments of these pulps were at the 6.4 million tons rate, and inventories were drawndown at the rate of some 300,000 tons per year. This record-breaking rate of shipments was 26% above its year-earlier level.

Continued on Page 12

There was a modest 2.8% increase in shipments to the domestic market in that period, but export shipments soared 49% over year-earlier levels to an extraordinary 3.9 million tons per year rate.

The gains were shared by all the major markets. The largest percentage gain was the near doubling in shipments to Japan, bringing the Japanese share of these exports to 20.5% from its year-ago 15.6% share. The United Kingdom plus Western Europe received the largest share -- 40.8% of the total. Its 37.6% increase, however, brought its share down from the 44% in the year-earlier period. Shipments to all other markets rose 42%, bringing their share to 38.6% compared to its year-earlier figure of 40.3%.

These increases were at least partly the result of the decline in the trade-weighted value of the dollar. As of mid-March 1986 the dollar had fallen by some 25% from its peak of one year earlier. However, the demand for these grades in foreign markets had been fairly strong in 1985, with exports rising some 10.5% over their 1984 total. It would appear that the high value of the dollar only retarded the growth in these exports in 1985, so that when the dollar fell that restraint was released and exports soared.

PAPER STOCK

Consumption of recyclable papers at paper and paperboard mills in the first two months of 1986 was 5.7% above its year-ago level. The major gains were in old corrugated boxes and cuttings and in high grade recyclable papers. Total inventories of paper stock at paper and paperboard mills were reduced by some 73,000 tons in the first two months of 1986, to bring the total to 906,000 tons, 7.7% below its year-ago total, continuing the trend established in 1985.

In 1985 use of recyclable paper at paper and paperboard mills (excluding the construction grades, which are important users of recycled paper) accounted for 22.3% of their total fiber, compared to 22.6% in 1984 and 22.3% in 1983. The January-February 1986 gain in consumption of these fibers probably brought the ratio above its 1985 average level.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

March 31, 1986

PRODUCTION (000 TONS)

	Feb. 85	Jan. 86	Feb. 85	Jan. - 86	Jan. - 85	% Change 86/85
PAPER GRADES						
Newsprint	434	463	447	897	916	-2.0
Printing & Writing	1522	1654	1476	3176	3068	3.5
Uncoated Groundwood (s)	114	128	119	242	245	-1.3
Coated Paper (s)	489	521	499	1010	1063	-5.0
Uncoated Free Sheet Paper (s)	808	889	751	1697	1545	9.8
Thin Paper (s)	28	23	22	51	43	19.2
Cotton Fiber Paper (s)	12	13	11	25	23	8.1
Bleached Bristols (s)	71	80	75	152	150	1.2
Tissue Paper	391	428	392	818	808	1.2
Total Pkg & Other Paper	405	436	432	840	886	-5.2
Unbleached Kraft Packaging & Indl. Converting (s)	263	290	292	553	583	-6.6
Other Paper *	142	145	140	287	294	-2.4
TOTAL PAPER	2751	2981	2748	5732	5678	0.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1325	1461	1282	2786	2691	3.5
Unbleached Kraft Linerboard	1223	1354	1192	2576	2511	2.6
Other Unbl. Kraft Paperboard	102	107	90	209	180	16.1
Semichemical Paperboard	416	443	400	859	817	5.1
Bleached Paperboard	337	355	318	692	645	7.3
Recycled Paperboard	642	681	595	1322	1252	5.6
TOTAL PAPERBOARD	2719	2940	2595	5659	5405	4.7
TOTAL PAPER AND PAPERBOARD	5470	5920	5343	11391	11083	2.8

WOOD PULP (ALL GRADES)	Jan. 86	Dec. 85	Dec. 85	Jan. - 86	Jan. - 85	% Change 85/84
Dissolving & Special Alpha	107	93	86	107	86	23.5
Bleached Sulfite	121	111	120	121	120	0.2
Unbleached Sulfite	15	15	19	15	19	-20.9
Bleached & Semi-Bl. Sulfate	2029	1857	1932	2029	1932	5.0
Unbleached Sulfate	1767	1572	1651	1767	1651	7.0
Semichemical	346	328	338	346	338	2.5
Groundwood & Thermomechanical	463	408	446	463	446	3.7
TOTAL PULP DIVISION DATA	4846	4385	4592	4846	4592	5.5

(s) - Shipments R - Revised
P - Preliminary

MARCH 31, 1986

	Full Year		INDUSTRY DATA 1985 - 1986			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			R	R	P		
PAPER AND PAPERBOARD -- Tons (000)	1984	1985	Dec	Jan	Feb	1986	
Total Production (API).....: excluding :...	68449	67174	5388	5921	5471	68344	2.8
Total Seasonally Adjusted....:construction:...			5954	5877	5740	69700	2.8
Imports (including Products).: and wet :..E	10576	11106	889	936	963	11395	7.7
Exports (including Products).: machine :..E	4309	4009	332	362	349	4263	13.1
Apparent Consumption.....: grades :...	74715 a	74271 b	6512	6452	6353	76832 c	2.9
Paper Production % Tonnage Capacity.....	93.4 q	89.7 q	83.9	91.2	93.1	93.0 qn	-
Paperboard Production % Tonnage Capacity.....	94.8 q	90.1 q	83.3	91.7	93.8	93.1 q	-
			Dec	Jan	Feb		
IMPORTS.....:Including Construction and :...	11075	11521	911	958	989	11680	6.8
EXPORTS.....: WMB Grades (excl. HPB) :...	4387	4077	339	371	356	4364	13.7
			Nov	Dec	Jan		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6898	6800	585	554	622	7469	7.4
TOTAL WOOD PULP PRODUCTION - Tons (000).....	55470	54170	4499	4385	4846	58154	5.5
WOOD PULP IMPORTS - TONS (000).....	4490	4466	401	339	383	4596	22.5
WOOD PULP EXPORTS - TONS (000).....	3594	3793	363	295	368	4416	22.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			Nov	Dec	Jan		
Wood Pulp.....:consumption for:.....	54562	53297	4406	4332	4709	56514	5.5
Waste Paper.....:construction & :.....	15926	15290	1286	1207	1400	16802	1.7
TOTAL.....: WMB grades :.....	70488	68588	5692	5538	6110	73316	4.6
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	87646	85744	7112	6907	9208	110496	24.2
EMPLOYMENT (000)			Dec	Jan	Feb		
Paper and Allied Products.....Total.....	682.3	683.3	685.3	684.8	685.0	684.9	0.9
Pulp, Paper and Board Mills.....Total.....E	263.9	257.7	255.2	256.0	256.2	256.1	-2.7
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	10.44	10.82	11.05	10.99	11.00	11.00	3.0
Pulp, Paper Mills.....E	12.45	13.11	13.38	13.32	13.35	13.34	4.0
Paperboard Mills.....E	12.99	13.60	14.08	13.78	13.85	13.82	4.5
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1985 Q2	1985 Q3	1985 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	7.21	8.49	8.10	8.64	9.47	8.80y	3.7
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			Dec	Jan	Feb		
:IN PULP, PAPER :...Production Workers.....	125.5	125.7	118.2	131.7	122.6	127.1	3.1
:AND BOARD MILLS:...All Employees.....	123.9	124.7	118.6	131.8	122.5	127.1	4.6
PAPER AND ALLIED PRODUCTS (Million $)			Nov	Dec	Jan		
Industry Shipments (Dept. of Commerce)*.....	95990	97664	8194	8390	8680	104160	6.8
Pulp, Paper and Paperboard*.....	41539	41830	3498	3574	3683	44196	4.9
Inventories (End of Period) - Total Industry*..	9701	9728	9659	9728	9804	9804	-1.0
Pulp, Paper and Paperboard*.....	3662	3800	3703	3800	3958	3958	4.4
			1985 Q1	1985 Q2	1985 Q3		
Sales (Corporations Only).....	71891	71997 #	17797	18262	17939	N.A.	N.A.
Earnings (Corporations Only).....	3015	2924 #	718	874	601	"	"
Depreciation (Corporations Only).....	2798	3107 #	765	761	804	"	"
Net Worth (Corporations Only).....	28160	29647 #	29241	29797	29647	"	"
PRICE INDEXES (Bureau of Labor Stats)1967=100			Dec	Jan	Feb		
Pulp, Paper & Products, ex. Building Grades....	292.9	292.2	287.9	290.6	290.5	290.6	-2.4
Wood Pulp.....	395.0	347.2	332.0	331.3	330.2	330.8	-12.0
Waste Paper.....	240.1	148.8	126.6	129.1	136.9	133.0	-30.6
Paper.....	303.2	303.6	301.2	301.0	301.4	301.2	-1.5
Paperboard.....	280.6	275.5	264.6	264.1	262.7	263.4	-8.7
PAPER DEMAND (INDEXED: 1977=100)			Dec	Jan	Feb		
Total Paper Production *.....	124.1	122.9	126.2	127.5	124.4	125.9	0.9
Paper New Supply *.....	127.7	128.7	130.1	132.9	130.8	131.9	2.6
Demand Indicators - (Weighted Average) *.....	136.7	142.2	146.6	147.3	146.6	146.9	5.8
Production of Nondurable Goods *...(21.2%).	122.5	125.5	128.3	129.4	128.9	129.2	4.6
Disposable Income .....*.(23.9%)	124.0	126.8	128.1	128.3	128.3	128.3	1.9
Total Printing and Publishing *...(54.9%).	147.8	155.3	161.7	162.4	161.4	161.9	7.7
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	117.4	114.9	126.0	121.6	118.8	120.2	4.7
Production for Domestic Use .....*.....	115.2	113.8	125.0	119.9	117.7	118.8	3.3
Demand Indicators - (Weighted Average) *.....	118.3	120.3	122.7	122.8	122.4	122.6	2.8
Production of Consumer Goods *...(62.06%)	118.2	120.7	124.0	124.3	124.4	124.4	4.5
Production of Equipment . *...(5.75%)	140.5	147.1	147.8	148.1	145.9	147.0	1.0
Production of Materials *...(32.19%)	114.6	114.7	115.7	115.4	114.5	115.0	-0.4
Trend Factor			Not Available				
NEWSPRINT MARKETS			Nov	Dec	Jan		
Consumption by Publishers - Tons (000).....	12612	12774	1147	1120	1014	12168	5.8
Newspaper Pub. and Printing Empl. Total(000)...	443.0	5443.6	462.5	463.8	460.2	5522	2.7
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	157798	152656	15635	13697	9595	115143	0.9
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	31876	34635	2889	2944	2928	35136	4.4
Inventories (End of Period).	2724	3155	3071	3155	3087	3087	11.0
FIBRE BOX DATA (Fibre Box Association)			Dec	Jan	Feb		
Fibre Box Shipments (Million square feet).....	267549	264128	19594	24088	21306	272364	5.2
Container'bd Inventory at Mill & Plant(000Tons).	2882	2477	2477	2489	2519	2519	-14.8
RETAIL TRADE (Million $)			Dec	Jan	Feb		
Total Retail Sales *.....	1291835	1378161	117862	117364	117274	1407828	5.2
Nondurable Goods Stores Sales *.....	341417	366541	73828	73073	73071	876864	3.4
GENERAL ECONOMIC DATA			Dec	Jan	Feb		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	121.8	124.5	126.3	126.5	125.7	126.1	2.0
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100)..	310.4	308.8	310.2	309.0	304.7	306.9	-0.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	311.1	322.2	327.4	328.4	327.5	328.0	3.5
			Oct	Nov	Dec		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	461.0	549.9	530.2	537.0	549.9	N.A.	N.A.
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions$)..			1985 Q2	1985 Q3	1985 Q4		
G.N.P. or Expenditure - Current $.....	3774.7	3988.9	3917.5	4016.2	4061.5	N.A.	N.A.
G.N.P. or Expenditure - 1982 $.....	3492.0	3571.0	3547.8	3584.1	3594.8	"	"

lb/capita

Pap&Papbd	Othr	Totl	Popul(mil)
.a - 631 + 21	=	652	236.7
.b - 624 + 21	=	645	238.6
.c - 645 + 21	=	666	240.0e
.e - estimated by API			

f - Wood Pulp Production excludes def., explo. & acrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data; standard dev. = 6-8%
N.A. - Not Available
Q - Quarter
- First three quarters, Annual Rate.
- End of third quarter.

R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.